

Message Text

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ACTION EA-10

INFO OCT-01 AF-06 EUR-12 ISO-00 AID-05 EB-07 PM-03 INR-07

IO-10 L-02 NSAE-00 NSC-05 PA-01 RSC-01 DPW-01 PRS-01

OMB-01 SS-15 SSO-00 INRE-00 /088 W

----- 085929

O R 291300Z JAN 75

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 2312

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS

CIA WASHDC

DIA WASHDC

JCS WASHDC

JUSMAAG

WHITE HOUSE

USAJFKCMA/ATCS-WL-DSA

CINCPAC/POLAD

CINCPACAF

CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG UDORN

USDAO/SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY PHNOM PENH

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AMEMBASSY STOCKHOLM

AMEMBASSY VIENTIANE
AMEMBASSY WARSAW
AMEMBASSY WELLINGTON
AMEMBASSY COTONOU

C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 1109

C O R R E C T E D C O P Y -- LAST PARA --

DEPT PASS IMMEDIATE IBS/NCA

E.O. 11652: GDS
TAGS: PINR, PINS, PINT, MILI, VS, PFOR, PARM, ICRC, IN
SUBJ: EMBASSY SAIGON'S MISSION WEEKLY JANUARY 23-29,1975

WEEKA ITEMS

--THE MILITARY SITUATION

--PRES THIEU WARNS OF DANGERS TO THE NATION

--UPPER HOUSE POSTPONES FORMAL CONSIDERATION OF POLITICAL
PARTIES BILL

--GVN TAKES ACTION TO INCREASE ARVN STRENGTH

--REFUGEE DEMONSTRATION IN QUANG NAM

--DEMONSTRATION BY NINE AMERICAN ANTI-VIETNAM ACTIVISTS

--RADICAL LOWER HOUSE DEPUTIES CALL FOR TERMINATION OF MILITARY
ASSISTANCE TO GVN

--AN QUANG AND NRF MARK SECOND YEAR OF ACCORDS

--BUDDHIST NUNS DEMONSTRATE

--GVN ISSUES DECLARATION ON SECOND ANNIVERSARY OF PARIS AGREEMENT

--"PRG" ISSUE AT LAW OF WAR CONFERENCE
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--LIBERATION RADIO ANNOUNCEMENT OF "PRG" GENERAL DELEGATION IN
INDIA TERMED "PREMATURE"

--1974 EXPORTS REACH \$75.1 MILLION

--TAX REVENUES

--CONSUMER PRICES EDGED UP

--GOLD AND DOLLAR RATES UP

I. INTERNAL

A. THE MILITARY SITUATION

THE NUMBER OF INCIDENTS COUNTRY-WIDE WAS DOWN CLOSE TO 20 PERCENT, EVEN THOUGH THERE WAS A SMALL INCREASE IN MR-1 DURING THE PERIOD. THE INTENSITY OF FIGHTING WAS ALSO LOWER, BUT THERE WERE CONTINUING INDICATIONS OF A NEW COMMUNIST SURGE SHORTLY--PERHAPS IN CONJUNCTION WITH TET. INDEED, AT LEAST IN MR-3, THE COMMUNISTS ARE CONDUCTING AN EXTENSIVE PSYWAR CAMPAIGN, THREATENING BLOODY TERRORISM OVER TET. CASUALTIES WERE LOWER ON BOTH SIDES, WITH GVN KILLED DOWN OVER ONE-THIRD ACCORDING TO INITIAL BATTLEFIELD REPORTS AND NVA/VC KIA OFF OVER 35 PERCENT. IN MR-2 ARVN OFFICIALS IN THE CENTRAL HIGH-LANDS ARE WORRIED THAT THE ADVENT OF THE 968TH NVA DIVISION FROM LAOS INTO THE HIGHLAND AREA MAY LEAD TO INCREASED COMMUNIST ACTIVITY THERE.

B. PRES THIEU WARNS OF DANGERS TO THE NATION

SPEAKING BEFORE THE GRADUATING CLASS OF THE NATIONAL POLICE INSTITUTE ON JAN 24, PRES THIEU WARNED THAT THE FATHER- LAND IS IN EVEN GREATER PERIL IN 1975 THAN IT WAS IN 1972 DURING THE NVA OFFENSIVE. HE POINTED OUT THAT AT THAT TIME GVN WAS STILL SUPPORTED BY ALLIED MILITARY FORCES. NOW, HOWEVER, ALLIED TROOPS HAVE BEEN WITHDRAWN, COMMUNIST FORCES HAVE BEEN GREATLY REINFORCED, AND THEY ARE INTENSIFYING THEIR ATTACKS THROUGHOUT THE COUNTRY. PRES THIEU DECLARED THAT SOUTH VIETNAMESE WERE PREPARED TO MAKE THE SUPREME SACRIFICE

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OF THEIR LIVES IF NECESSARY TO SAVE FUTURE GENERATIONS FROM COMMUNIST DOMINATION. HE CALLED UPON THE ALLIED NATIONS TO FULFILL THEIR PLEDGES TO SUPPORT THE RVN SO THAT THE VIETNAMESE PEOPLE WOULD NOT FEEL THAT THEY HAVE BEEN DECEIVED AND HISTORY WOULD NOT ACCUSE A BIG ALLY OF ABANDONING A SMALL COUNTRY TO COMMUNIST SEIZURE.

PRES THIEU SAID THAT THE PEOPLE AND SOLDIERS OF SVN MUST DO THEIR BEST TO FORCE THE COMMUNIST AGGRESSORS TO COMPLY SERIOUSLY WITH THE PARIS ACCORDS WHICH ARE AIMED AT RESTORING PEACE FOR THE SOUTH AND WHICH PROVIDE A JUST AND REASONABLE BASIS FOR A SOLUTION OF THE WAR THROUGH NATIONAL RECONCILIATION, ALLOWING THE SOUTH VIETNAMESE PEOPLE ON BOTH SIDES OF THE CONFLICT TO EXERCISE THE RIGHT OF SELF-DETERMINATION.

ON THE FOLLOWING DAY (JAN 25), PRES THIEU SPOKE TO THE GRADUATING CLASS OF THE NATIONAL SCHOOL OF ADMINISTRATION. NOTING THAT ADMINISTRATIVE CADRE WERE PROHIBITED FROM TAKING PART IN POLITICAL PARTY ACTIVITIES, PRES THIEU EMPHASIZED THAT THEY WERE EXPECTED TO SERVE THE LARGER INTERESTS OF THE NATION AND PEOPLE WITH A CLEARCUT PLATFORM EXPRESSING THE DETERMINATION OF THE NATION NOT TO ACCEPT THE COMMUNIST REGIME NOR AN IDEOLOGY WHICH THE COMMUNISTS WISH TO OPPOSE THROUGH ARMED AGGRESSION.

PRES THIEU SAID THAT SOME HAVE MISTAKENLY BELIEVED THAT THE FORMATION OF A COALITION GOVT IN SVN WOULD SOLVE THE CONFLICT WITHOUT FEAR OF COMMUNIST TAKEOVER. IN REALITY, HE SAID, THE COMMUNISTS ARE NOW MAKING AN ALL-OUT EFFORT TO FORCE THE GVN THROUGH A WAR OF AGGRESSION TO ACCEPT A COALITION WHICH THE COMMUNISTS BELIEVE WILL PROVIDE THEM WITH AN EFFECTIVE MEANS TO ACHIEVE COMMUNIST DOMINATION IN SVN.

C. UPPER HOUSE POSTPONES FORMAL CONSIDERATION OF
POLITICAL PARTIES BILL

THE UPPER HOUSE MET IN PLENARY SESSION JAN 27 TO TAKE UP CONSIDERATION OF THE REPORT PREPARED BY THE INTERIOR-JUDICIARY JOINT COMMITTEE ON THE POLITICAL PARTIES BILL. THE BRIEF SESSION WAS ADJOURNED ON THE REQUEST OF PRO-GOVERNMENT UPPER HOUSE LEADERS UWITHOUT TAKING ANY ACTION. THE EMBASSY HAS
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LEARNED THAT THIS SESSION AND A PRIOR ONE LAST WEEK (SAIGON 0820) ADJOURNED WITHOUT TAKING UP THE SUBSTANCE OF THE PROPOSED POLITICAL PARTY LAW IN ORDER TO PROVIDE PRO-GOVERNMENT LEGISLATORS AND MEMBERS OF THE EXECUTIVE BRANCH TIME TO WORK OUT AN AGREED POSITION.

A GROUP OF PRO-GOVERNMENT SENATORS AND DEPUTIES MET WITH PRES THEIU FOR FOUR HOURS ON JAN 25 TO GO OVER THE PROVISIONS OF THE PROPOSED LAW. DISCUSSION CENTERED AROUND THREE SECTION:

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NSAE-00 NSC-05 PA-01 RSC-01 DPW-01 PRS-01 OMB-01

SS-15 SSO-00 INRE-00 /070 W

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O R 291300Z JAN 75

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 2313

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

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AMEMBASSY SEOUL

AMEMBASSY TOKYO

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USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA/ATCS-WL-DSA

CINCPAC

CINCPACAF

CINCPACFLT

DEPCHIEF JUSMAAG UDORN

USDAO SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY COTONOU

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AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 2 OF 3 SAIGON 1109

DEPT PASS IMMEDIATE IBS/NCA

(1) THE TOTAL NUMBER OF PARTY MEMBERS REQUIRED FOR VALIDATION OF A PARTY; (2) THE REQUIREMENT TO HAVE A PARTY CHAPTER IN A PROVINCIAL CAPITAL; AND (3) THE REQUIREMENT THAT A POLITICAL PARTY MUST NOMINATE CANDIDATES FOR CONGRESSIONAL AND PRESIDENTIAL ELECTIONS. AGREEMENT HAS APPARENTLY BEEN REACHED BETWEEN UPPER HOUSE LEADERS AND THE PRESIDENT ON THE LATTER QUESTION AND THE REQUIREMENT THAT ALL PARTIES NOMINATE A PRESIDENTIAL CANDIDATE, WHICH APPEARS IN THE BILL PASSED BY THE LOWER HOUSE, WILL BE ELIMINATED IN THE UPPER HOUSE VERSION. FINAL DETAILS ARE STILL TO BE AGREED UPON REGARDING THE OTHER TWO QUESTIONS. EMBASSY UNDERSTANDS THAT PRES THIEU HAS SCHEDULED A MEETING WITH PRO-GOVERNMENT LOWER HOUSE LEADERS FOR JAN 30 TO CONTINUE DISCUSSIONS OF THIS BILL.

D. GVN TAKES ACTION TO INCREASE ARVN STRENGTH

ON THE OCCASION OF THE SECOND ANNIVERSARY OF THE PARIS AGREEMENT THE SAIGON MILITARY COMMAND REPORTED THAT GVN FORCES HAVE SUFFERED NEARLY 160,000 CASUALTIES SINCE THE CEASEFIRE AGREEMENT WAS SIGNED. A COMMUNIQUE LISTED 28,705 SOLDIERS KILLED; 115,141 WOUNDED; AND 16,011 MISSING IN THE PAST TWO YEARS.

IN RESPONSE TO THESE LOSSES AND TO INTENSIFIED MILITARY ATTACKS FROM COMMUNIST FORCES, THE GVN HAS TEMPORARILY SUSPENDED THE DISCHARGE OF SERVICEMEN REACHING DISMISSAL AGE FROM THE RANK OF CAPTAIN DOWN TO PRIVATE. PRESS REPORTS ALSO INDICATE THAT THE CRITERIA FOR MILITARY DEFERMENT MAY BE REVISED TO PROVIDE FOR INCREASED MANPOWER IN THE ARMED FORCES.

E. REFUGEE DEMONSTRATION IN QUANG NAM

CONGEN DANANG REPORTS A DEMONSTRATION OF APPROXIMATELY
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150 REFUGEES FROM QUANG NAM PROVINCE TOOK PLACE JAN 21. THE DEMONSTRATORS WERE DEMANDING ISSUANCE BY THE GVN OF A RICE ALLOWANCE. THE CROWD WAS DISPERSED BY DISTRICT OFFICIALS AND POLICE DURING WHICH SEVERAL PERSONS WERE REPORTEDLY INJURED AND TEN DEMONSTRATORS REPORTEDLY WERE ARRESTED. LOCAL POLITICAL LEADERS, LED BY FOUR LOWER HOUSE DEPUTIES FROM QUANG NAM, PROTESTED TO GVN OFFICIALS OVER ALLEGED VIOLENCE USED TO BREAK UP DEMONSTRATION. LTG NGO QUANG TRUONG, CG MR-1, AGREED TO MEET WITH THE FOUR DEPUTIES EARLY IN THE WEEK IN ORDER FOR THEM TO PRESENT THE CASE TO HIM AND TO SEEK CORRECTIVE ACTION IF THE LOCAL AUTHORITIES HAD ACTED IMPROPERLY.

F. DEMONSTRATION BY NINE AMERICAN ANTI-VIETNAM ACTIVISTS

JAN 24 NINE AMERICAN ANTI-VIETNAM ACTIVITISTS AFFILIATED WITH INDOCHINA RESOURCE CENTER CONDUCTED DEMONSTRATION IN FRONT OF EMBASSY. DEMONSTRATORS CARRIED LARGE BANNER SAYING, "AMERICANS WANT PEACE IN VIETNAM, US END THE WAR, " AT ONE POINT DEMONSTRATORS CLEARLY OUTNUMBERED BY PRESS. DEMONSTRATION ATTRACTED NO RPT NO CROWD AND VIETNAMESE PASSERS-BY EXHIBITED ONLY MILD CURIOSITY. DEMONSTRATORS WHO CHANGED SLOGANS AND PASSED OUT MIMEOGRAPHED LEAFLETS, DISPERSED QUIETLY AT END OF DAY. THEIR PLANS TO RETURN FOLLOWING DAY WERE UPSET WHEN POLICE POLITELY PUT THEM ON A NIGHT PLANE TO BANGKOK FOR HAVING TAKEN ADVANTAGE OF THE CONDITIONS OF THEIR ENTRY INTO RVN AS TOURISTS TO PURPOSELY CREATE AN INCIDENT. (REF SAIGON 0916)

G. RADICAL LOWER HOUSE DEPUTIES CALL FOR TERMINATION OF MILITARY ASSISTANCE TO GVN

LOCAL PRESS REPORTS 12 RADICAL LOWER HOUSE (LH) DEPUTIES HAVE SIGNED OPEN LETTER TO US CONGRESS WHICH HAS BEEN SENT TO VARIOUS US SENATORS AND CONGRESSMEN. PRESS ALSO REPORTS LETTER WILL BE READ BY UNNAMED CONGRESSMAN BEFORE 94TH CONGRESS. LETTER CHARACTERIZED IN PRESS AS FINDING US-VIETNAMESE RELATIONS BAD BECAUSE SUCCESSIVE US GOVTS SUPPORTED GOVTS IN VIETNAM WHICH DID NOT HAVE SUPPORT OF PEOPLE. LETTER CONCLUDES BY CALLING FOR END OF AID TO "THIEU GOVT" REQUESTING ESTABLISHMENT OF "TRULY REPRESENTATIVE GOVT FOR THOSE WHO SEEKS PEACE" AND PROVISION OF US AID TO "ALL OF PEOPLE OF SVN" ALL TWELVE
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SIGNERS HAVE LONG BACKGROUND OF RADICAL OPPOSITION TO THIEU GOVT AND OF POLITICAL ACTIVISM. ALL HAVE BEEN INVOLVED IN EXTENSIVE PROTEST ACTIVITIES OVER PAST SIX MONTHS. ALL ARE IDENTIFIED WITH "THIRD FORCE" AND SOME HAVE PREVIOUSLY ATTACKED US POLICY. MANY CLEARLY ARE CLOSE POLITICAL ASSOCIATES AND ADVISORS OF GEN DUONG VAN (BIG) MINH. DURING RECENT ANTI-VIETNAM DEMONSTRATION BY NINE VISITING AMERICANS (ABOVE), WE HAVE LEARNED TWO DEPUTIES WHO SIGNED LETTER CONFERRED AT SOME LENGTH WITH US DEMONSTRATORS. RELEASE OF LETTER CLEARLY TIME IN COORDINATION WITH ANTI-VIETNAM PROTEST ACTIVITIES IN WASH.

H. AN QUANG AND NRF MARK SECOND YEAR OF ACCORDS

AN QUANG BUDDHIST CHURCH AND NATIONAL RECONCILIATION FORCE (NRF) HELD PRAYER CEREMONY AND CONFERENCE JAN 26 AT AN QUANG PAGODA TO MARK 2ND ANNIVERSARY OF PARIS ACCORDS. AN QUANG HIGH SECULAR COUNCIL RECTOR THICH TRI THU SAID WAS AND MISERY CONTINUE BECUASE OF BOTH SIDES' FAILURE TO IMPLEMENT ACCORDS. HE URGED SIX POINTS ON BELLIGERENTS INCLUDING CEASEFIRE AND SET-UP OF TEMPORARY ZONES FOR STATIONING TROOPS; RELEASE OF ALL POLITICAL PRISONERS (SIC) AND PRISONERS OF WAR PROMULGATION OF

DEMOCRATIC RIGHTS, ESPECIALLY FREEDOM OF SPEECH AND PRESS; AND ESTABLISHMENT OF NCNRC WITH THREE EQUAL SEGMENTS, THIRD ONE HAVING INDEPENDENT NATURE. TRI THU'S REMARKS WERE STRONG BUT CONTAINED NOTHING NEW.

SECOND PART OF MEETING BELONGED TO NRF, WHICH SPONSORED CONFERENCED THAT ISSUED RESOLUTION BY HEADS OF 18 OPPOSITION GROUPS STATING NON-CONFIDENCE IN PRESIDENT, DEMANDING HIS RESIGNATION, AND ASKING FOR GENERAL ELECTION TO CHOOSE NEW LEADER. SIGNERS INCLUDED FR. THANH, SENATOR VU VAN MAU, SENATOR TON THAT DINH, MILITANT LAWYER BUI TUONG CHIEU, LONG-TIME OPPOSITIONIST LAWYER TRAN NGOC LIENG, "POLITICAL PRISONERS" CRITIC FR. CHAN TIN, FRONT AGAINST HUNGER CHAIRMAN THICH HIEN PHAP, AND VIETNAM PEN CLUB HEAD FR. THANH LANG-NONE OF WHO IS NEW TO THE STRIDENT OPPOSITION. NONE OF SIGNATORIES OF RESOLUTION APPEAR AS SIGNERS OF LETTER REQUESTING END OF US ASSISTANCE TO "THIEU GOVT" (ABOVE). DEPUTY LY QUY CHUNG, HOWEVER, WAS A SIGNER OF THE LETTER AND , APPARENTLY, WAS ALSO ONE OF THE ORGANIZERS OF THE RESOLUTION SINCE IT WAS DEPUTY CHUNG WHO READ THE RESOLUTION TO THE MEETING.
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HSC MEMBER THICH HUYEN QUANG TOLD US THAT ALL HSC MEMBERS WERE PRESENT FOR PRAYER CREMONY BUT THAT SOME LEFT WHEN NRF SEGMENT STARTED. HE ALSO SAID THAT, CONTRARY TO IMPRESSION CREATED BY PRESS, NRF CROWD RELATIVELY SMALL, COMPRISING 4-500 IN CONFERENCE HALL AND SMALL NUMBER OUTSIDE PAGODA. HUYEN QUANG, WHO OPPOSED NRF FORMATION, SAID THIS INDICATED DEARTH OF POPULAR NRF SUPPORT.

I. BUDDHIST NUMS DEMONSTRATE

A GROUP OF MILITANT BUDDHIST NUNS WAITING OUTSIDE THE AN QUANG PAGODA STARTED A DEMONSTRATION MARCH JUST AS THE CROWD ATTENDING THE JOINT AN QUANG:NRF MEETING JAN 26 (ABOVE) BEGAN TO LEAVE THE PAGODA. THE NUNS AND THEIR ENTOURAGE CARRYING BANNERS READING, "DOWN WITH PRES THIEU" SOON PROCEEDED TO INSTIGATE A ROCK THROWING SCUFFLE WITH THE POLICE IN WHICH TWO NUNS REPORTEDLY WERE INJURED. THE FOLLOWING DAY 15-20 SIGN CARRYING NUNS RE-EMERGED FROM THE AN QUANG PAGODA AND MARCHED TO A BIG SQUARE WHERE THEY WERE ISOLATED WITHOUT INCIDENT.

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INFO OCT-01 ISO-00 AID-05 EB-07 PM-03 INR-07 IO-10 L-02

NSAE-00 NSC-05 PA-01 RSC-01 DPW-01 PRS-01 OMB-01

SS-15 SSO-00 INRE-00 /070 W
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C O N F I D E N T I A L SECTION 3 OF 3 SAIGON 1109

II. EXTERNAL

A. GVN ISSUES DECLARATION ON SECOND ANNIVERSARY OF PARIS
AGREEMENT

THE GVN ISSUED A DECLARATION ON JANUARY 24, 1975 MARKING TWO YEARS OF IMPLEMENTATION OF THE AGREEMENT ON ENDING THE WAR AND RESTORING PEACE IN VIET-NAM. IN THE DECLARATION, THE GVN NOTED THAT DESPITE THE PASSAGE OF TWO YEARS SINCE THE AGREEMENT WAS SIGNED, PEACE HAD NOT COME TO VIET-NAM. THE DECLARATION CONTRASTED THE GVN'S EFFORTS TO OBSERVE THE CEASE-FIRE AND TO IMPLEMENT ALL OF THE PROVISIONS OF THE PARIS AGREEMENT WITH THE TOTALLY NEGATIVE ATTITUDE OF THE HANOI GOVERNMENT, NOTING PARTICULARLY THE RECENT MASSIVE COORDINATED OFFENSIVE IN THE SOUTH AND THE CONTINUING CALLS FOR THE OVERTHROW OF THE GVN AS A PRECONDITION TO NEGOTIATIONS. THE DECLARATION CALLED ON ALL PEACE-LOVING COUNTRIES TO CONDEMN THE COMMUNISTS' ATTEMPTS TO DESTROY THE FOUNDATIONS OF THE AGREEMENT.

IN CLOSING, THE GVN REAFFIRMED ITS BELIEF THAT SCRUPULOUS IMPLEMENTATION OF THE AGREEMENT WAS THE PATH TO BOTH A LASTING PEACE AND A SATISFACTORY POLITICAL SOLUTION IN VIET-NAM, AND CALLED ON THE COMMUNIST SIDE TO RESUME TALKS.

THE GVN SENT A NOTE DATED JANUARY 24 TO ALL PARTIES TO THE ACT OF THE INTERNATIONAL CONFERENCE ON VIET-NAM TRANSMITTING THE TEXT OF THE ABOVE DECLARATION, AND REQUESTING THE PARTIES TO CONSULT WITH EACH OTHER TO DETERMINE NECESSARY REMEDIAL MEASURES CONDUCIVE TO THE IMPLEMENTATION OF THE AGREEMENT.

B. "PRG" ISSUE AT LAW OF WAR CONFERENCE

SECOND SESSION OF LAW OF WAR CONFERENCE WILL OPEN IN GENEVA
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FEBRUARY 3. SUPPORTERS OF "PRG" ARE CARRYING ON A WIDESPREAD CAMPAIGN FOR ITS ADMISSION. (LAST YEAR AT FIRST SESSION "PRG" NARROWLY FAILED TO GAIN ADMITTANCE BY A VOTE OF 37 FOR, 38 AGAINST AND 33 ABSTENTIONS.) GVN HAS BEEN CARRYING OUT AN INTENSIVE DIPLOMATIC CAMPAIGN TO GARNER SUPPORT AGAINST "PRG", AND US MISSIONS HAVE ALSO BEEN MAKING DEMARCHES ON THIS MATTER. INFORMATION AVAILABLE SO FAR INDICATED VOTE WILL AGAIN BE CLOSE. ADMISSION TO THIS CONFERENCE, COMING ON HEELS OF MID-JANUARY ESTABLISHMENT OF A "PRG" OFFICE IN GENEVA AND IN SPITE

OF RECENT STEP-UP IN DRV/"PRG" AGRESIVE MILITARY ACTIVITY
IN SVN, WOULD BE AN IMPORTANT DIPLOMATIC VICTORY FOR DRV.

C. LIBERATION RADIO ANNOUNCEMENT OF "PRG" GENERAL DELEGATION
IN INDIA TERMED "PREMATURE"

INDIAN OFFICIALS HAVE TERMED "UNILATERAL AND PREMATURE" A
JANUARY 24 LIBERATION RADIO BROADCAST ANNOUNCING THAT INDIA
AND "PRG" HAD AGREED JANUARY 22 TO ESTABLISHMENT OF A "PRG"
GENERAL DELEGATION IN INDIA. WHILE INDIAN GOVERNMENT HAS
AGREED TO SOME SORT OF "PRG" PRESENCE IN NEW DELHI, DETAILS OF
ARRANGEMENT HAVE YET TO BE WORKED OUT. GVN CONSUL GENERAL IN
NEW DELHI HAS REPORTEDLY BEEN INFORMED THAT WHATEVER FORM "PRG"
PRESENCE TAKES, IT WILL NOT BE CONSULAR OR DIPLOMATIC IN NATURE,
NOR WILL IT ENTAIL DIPLOMATIC RECOGNITION. MEANWHILE MFA
SPOKESMAN IN SAIGON WARNED GVN WOULD TAKE "STRONG MEASURES" IF
REPORT WERE TRUE.

COMMENT: "PRG" RPOBABLY MADE PREMATURE ANNOUNCEMENT AS PART OF
ITS EFFORT TO CREATE IMPRESSION OF GROWING INTERNATIONAL SUPPORT
DESIGNED TO GAIN ADMISSION TO LAW OF WAR CONFERENCE.

END CONFIDENTIAL

BEGIN UNCLASSIFIED

III. ECONOMIC

A. 1974 EXPORTS REACH \$75.1 MILLION

ACCORDING TO THE NATIONAL BANK, EXPORTS REACHED \$75.1 MILLION
IN 1974, AS COMPARED TO \$60.6 MILLION IN 1973. ALTHOUGH THE
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FINAL EXPORT FIGURE WAS SHORT OF THE \$100 MILLION TARGETED AT
THE BEGINNING OF 1974, THE INCREASE OF 24 PERCENT OVER THE 1973
FIGURE IS CONSIDERED A CREDITABLE PERFORMANCE IN VIEW OF THE
DECLINING DEMAND FOR VIETNAM'S PRINCIPAL EXPORTS IN THE LATTER
PART OF 1974. A BREAKDOWN BY COMMODITIES SHOWS FISHERY EXPORTS
INCREASED BY 159 PERCENT, RUBBER BY 79 PERCENT, TEA BY 150
PERCENT, AND HANDIPKUFTS BY 127 PERCENT. ON THE OTHER HAND,
SCRAP EXPORTS DECLINED BY 58 PERCENT AND FORESTRY EXPORTS BY
2 PERCENT.

B. TAX REVENUES

THE DIRECTORATE GENERAL OF TAXATION REPORTED THAT TOTAL
DOMESTIC TAX REVENUES DURING 1974 AMOUNTED TO VN\$250.9
BILLION, AS COMPARED TO 1973 COLLECTIONS OF VN\$168.4 BILLION,
AN INCREASE OF 49 PERCENT. IN REAL TERMS, AFTER ADJUSTMENT

FOR THE YEAR-TO-YEAR INCREASE IN PRICES, TAX REVENUES DECLINED BY 5 PERCENT. THE DECLINE IN REAL TAX REVENUES WAS NOT SURPRISING IN VIEW OF THE GENERAL ECONOMIC DECLINE DURING 1974. WITHIN THE OVERALL TAX TAKE, THE SHARE ACCOUNTED FOR BY INDIRECT TAXES INCREASED: FROM 66 PERCENT IN 1973 TO APPROXIMATELY 75 PERCENT IN 1974. OF THE INDIRECT TAXES IN 1974, 97 PERCENT WERE ACCOUNTED FOR BY VALUE ADDED TAX (VAT) AND SPECIAL CONSUMPTION TAX, THE LATTER LARGELY ON BEER, SOFT DRINKS, AND CIGARETTES.

C. CONSUMER PRICES EDGED UP

DURING THE WEEK OF JANUARY 21-27 THE USAID CONSUMER PRICE INDEX EDGED UP BY 1.2 PERCENT. PRICES OF SALTED FISH, PORK AND FRESH SHRIMP INCREASED BY 6 PERCENT, 7 PERCENT AND 8 PERCENT, RESPECTIVELY, TO LEAD THE FOOD INDEX. IN THE NON-FOOD CATEGORY, TYPICAL PRE-TET INCREASES WERE NOTED IN HAIRCUTS, 20 PERCENT, AND APPAREL PRICES, 4 TO 7 PERCENT.

D. GOLD AND DOLLAR RATES UP

IN RESPONSE TO THE 15 PIASTER DEVALUATION TO 700 PIASTERS/US\$1 ON JANUARY 21, 1975, THE FREE MARKET DOLLAR PRICE (\$100 GREEN) INCREASED TO 810 PIASTERS FROM 802. A SMALL INCREASE IN THE PIASTER PRICE OF GOLD WAS ALSO REGISTERED IN THE PAST WEEK.
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STATED IN DOLLARS AT THE OFFICIAL RATE, THE GOLD PRICE DECREASED SLIGHTLY FROM \$200 PER OUNCE TO \$198.
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Message Attributes

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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750033-0396
From: SAIGON
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1975/newtext/t19750110/aaaaainn.tel
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAY 2003
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Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EMBASSY SAIGON'S MISSION WEEKLY JANUARY 23-29,1975 WEEKA ITEMS
TAGS: PINR, PINS, PINT, MILI, PFOR, PARM, VS, IN, ICRC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006